

CIO Report to the Legislative Finance Committee

March 6, 2008

A. MITA Compliance and Exceptions to Information Technology (IT) Standards, Policies and Statute (2-17-515, MCA)

1. MITA Compliance

No compliance issues to report.

2. Exception Requests

Between November 20, 2007 and January 31, 2008, ITSD received two requests for an exception to a policy. DOJ and Livestock requested to use Bluetooth wireless headsets with their Blackberry devices. The requests were granted after the agencies were cautioned about the possibility of intercepted signals and loss of device control. There were no significant costs associated with the requests.

B. IT Projects (2-17-526, MCA)

Additional detailed information can be found in the IT Portfolio Report and the on individual Project Summary Reports. The status report format was modified in mid September and most project managers have not completed gathering all the required data for the new format.

1. Completed Projects

No IT projects have finished since the December 2007 LFC meeting.

2. Active Projects – Green Assessment

Administration – Enterprise System Service Centers (ESSC)

ESSC will construct redundant centers to house data, network and voice operations. Agencies will be encouraged to centralize/consolidate in the new facilities to improve efficiency and effectiveness of services. On March 4 the CIO will announce a preliminary decision on the location of the eastern site. Since the project funding in HB4 was passed in the last legislative session, construction costs have increased dramatically. The project team is managing the size and scope of the project to remain within budget.

Health and Human Services - MMIS (Medicaid Management Information System)

MMIS is the Medicaid payment system that houses information related to enrolled providers and eligible Medicaid, CHIP and MHSP clients. The MMIS system adjudicates Medicaid, CHIP and Mental Health claims as well as information related to different payment systems (i.e. RBRVS, OPFS, fee for service). DPHHS has contracted with Fox Systems to complete an analysis of the current MMIS and make recommendations for continuing to use the current system, updating the current system, or total replacing the MMIS system. Fox's report is due June 30, 2008. DPHHS received \$200,000 in state general fund dollars and is matching the funds with federal funds for a total budget of \$2 million (09/10 funding).

Health and Human Services – ICD-10 (International Classification of Diseases)

This project is dependent on passage of a federal mandate to implement ICD-10 (International Classification of Diseases) coding requirements. If mandated the MMIS system will need to be enhanced to replace the current ICD-9 coding with ICD-10 codes. At this time, there is no timeframe for this initiative. HB4 provided \$2.7M in federal matching funds to match \$300,000 in state general funds for a total project budget of \$3 million.

Health and Human Services - Food Stamp Eligibility Determination

The project will replace portions of The Economic Assistance Management System (TEAMS), a 1980s mainframe system used to determine eligibility for Food Stamps, TANF (Temporary Assistance for Needy Families) and Medicaid. Currently many of the eligibility functions are performed manually on spreadsheets outside the system, leaving room for errors, inconsistency, and consuming valuable staff time. Currently TANF and Food Stamp eligibility are determined in TEAMS, with both combined in one system, changes necessary for Federal mandates are more difficult and require more time to complete than if the programs were separated. HB4 provided \$13M of which \$6.5M will be federal dollars. The Food Stamps System Planning Advanced Planning Document (PAPD) was approved by the Food and Nutrition Service (FNS). DPHHS has contracted for a professional project manager and for assistance developing the RFP and procurement documents. Initial visioning work with the business stakeholders occurred January 24. The development RFP will be released this summer. Completion of the project is anticipated in 2011, although this estimate is not solid until the final planning is complete.

Health and Human Services - TANF (Temporary Assistance for Needy Families)

TANF is a new system designed to replace portions of The Economic Assistance Management System (TEAMS), a 1980s mainframe system used to determine eligibility for Food Stamps, TANF and Medicaid. TEAMS was later enhanced to include case management functionality for the TANF Program. Currently many of the eligibility and case management functions are performed manually on spreadsheets, leaving room for errors, inconsistency, and consuming valuable time. HB4 provided \$7.6M in general funds to match \$8.6M in federal funds. A 3.5 year development schedule is planned with an anticipated completion in 2011, although this estimate is not solid until the finally planning is complete. Current work includes preliminary visioning sessions and procurement assistance from Public Knowledge. The development RFP will be released in the summer.

Health and Human Services - CAPS

Child Protective Services (CAPS) is an automated social services system covering all major program areas of child protection, juvenile corrections and probation. The new CAPS will replace a mainframe system that does not meet mandated reporting requirements which are handled manually today. HB4 provided \$27.1M in funding of which \$15.2M is a general fund match. The CAPS System Planning Advanced Planning Document (PAPD) is being prepared for the Food and Nutrition Service (FNS). A professional project manager will be hired about mid-March. The RFP will be released very late in 2008. Development is expected to take about four years. Implementation will be in 2011.

Health and Human Services - CHIMES

CHIMES is a Medicaid eligibility system that will replace the Medicaid component of TEAMS, a mainframe based system currently used to determine eligibility for Medicaid, Food Stamp, and TANF programs. CHIMES will incorporate all Medicaid healthcare programs in one central system while moving the legacy system off the state mainframe. CHIMES will be used by county Public Assistance Bureau staff to determine applicant eligibility for approximately 40 Medicaid program coverage groups, as well as the Medicare Savings programs known as QMB, SLMB and Q11. The development of CHIMES will alleviate many existing problems, optimize interface processes, and dramatically improve the delivery of service to nearly 80,000 Montana Medicaid enrollees.

DPHHS has negotiated a \$4.5M time and materials contract with Northrop Grumman for completion of the system.

Justice – MERLIN (Temporary Registration, Driver Control, Driver Licensing)

MERLIN is the continuation of the Team 261 project for improving efficiency and services within the Department of Justice, Motor Vehicle Division. The project is made up of three components: Core Accounting, Titling and Registration, Driver Control and Licensing. MERLIN will implement a customized commercial package over two years. Funding is being managed by splitting off non-essential requirements into separate statements of work (SOW) that will only be implemented as funding becomes available. The agreed-to fixed fee mandatory work is now fully funded. Additional funds have been identified for the first set of non-essential requirements and that work is in progress. Contingency funding will be built by finding other sources of funds (e.g., grants) to help offset existing project costs (e.g., hardware purchases).

Passage of HB90 allows for the expansion of scope (enhancements through another Statement of Work) and increased funding stability (e.g., MVD can use for contingencies as needed). The budget also increased from \$22.5M to \$28.5M with the passage of HB90. The due date has been moved to the end of 2008 due to additional scope and funding increase (HB90). The schedule will be updated due to legislative changes. Merlin has passed its 5th milestone and is designing their ADS.

Justice – Drivers License System

The project will replace the current drivers' license system with an inter-operative system that includes integrated components (hardware, software & card production services) for appointment scheduling, automated driver license knowledge testing, digital driver license and identification card production, imaged-based facial recognition services and a functional method of authenticating supporting documents provided by customers. Goals of this project are to reduce lines at driver services stations from 2 hours to 30 minutes, integration with MERLIN, and compatibility with the Real ID act. Costs for the system will be funded through user fees. The RFP was issued in March 2007. The contract with L-1 Solutions was signed in August.

Montana State Fund – Insurance Intelligence

The Insurance Intelligence program is a multi-phase project that will implement a Workers Compensation insurance solution to replace the current Data Warehouse system. The first phase, program initiation, will (a) document business and technical requirements (b) complete an RFP for selecting vendors, software, and hardware (b) build an off-site proof of concept, (c) develop a project budget/charter/plan for the next phase (project 1). The Project Initiation phase is complete, and Project 1 has begun. The Requirements and Design stages will finish in 30 days. The Construction and Testing stages are beginning and are estimated to last 8 months.

Revenue – Taxpayer Access Point

TAP is phase IV of the IRIS project that will be one of the steps to help provide more accessible electronic filing and Telefile options to taxpayers who need it. TAP will result in more accurate return processing, improve voluntary compliance, improve the quality of services provided to citizens of Montana, and ease the burden of complying with the tax system. FAST Enterprises, LLC will commit to a one year TAP implementation period which will allow taxpayers to start using some functionality as early as the 2008 tax season.

Revenue - Real and Personal Property Valuation and Assessment System (PVAS)

The Department of Revenue, Property Assessment Division is replacing five legacy computer systems (MODS, BEVS, CAMA, UAS, and Landisc) with one Real & Personal Property Valuation and Assessment System to be used statewide. Project delay was due primarily to late delivery of contractor code and clean up of code defects. The delay has not impacted the project budget and scope. The current estimate is to complete within the approved budget of \$5.75 million. All counties are in production with the new system. Clean up of code defects is continuing.

Transportation – Site Manager Construction Manager Implementation

The purpose of the project is to implement the construction management functions within the Trns•port module, Site Manager to various entities inside and outside the department. This will provide MDT with consistent and accurate construction contract administration utilizing national DOT best practices. The team has formed a SiteManager Users of Montana Implementation Team from across the state that meets on a monthly basis to discuss project status and monitor progress and risks. Use case testing has been successfully completed in all 5 districts. The development of MDT functional manuals has far exceeded expectations. Pilot projects are under way.

Transportation – Site Manager Materials Manager Implementation

The purpose of the project is to implement the materials management functions within the Trns•port module, Site Manager to various entities inside and outside the department. This will provide MDT with an accurate materials administration utilizing national DOT best practices. The original schedule was very aggressive to meet the goal of implementing the Material and Construction modules simultaneously. Although the project is behind schedule, the team is addressing the schedule by placing greater effort on late critical path tasks, improved communications and a possible new schedule.

3. Active Projects – Yellow Assessment

No projects have been assessed as yellow.

4. Active Projects - Red (Challenged) Assessment

No projects have been assessed as red.

5. IT Programs

Programs are collections of interrelated smaller projects aimed at a single goal. Programs' budgets, timelines, and scope change through time. The program sponsors often do not exert direct control over the program participants. Classic project management measurements of progress are often inaccurate.

Administration - Interoperability Montana (Public Safety Radio)

This project will create a statewide public safety radio system implemented through a series of regional installations. This project consists of nine consortiums (eight voice radio and one mobile data) led by local emergency response groups with state and federal partnership. All 56 counties and seven Tribal nations are members of a consortium. Representatives from each consortium sit on the Interoperability Montana Project Directors Board. This Board sets priorities for system development and approves individual projects. The project primarily utilizes homeland security funding, with state and local supplements.

The Interoperability Montana Governance Committee (IMGC) June meeting focused on a proposal to formalize governance for the IM Project. The IM project's legal authority will be established in a

Memorandum of Understanding between the consortia and state agencies. The Northern Tier consortium and selected Interoperable Montana sites are just starting the implementation of their infrastructure, microwave network, and radio assets. Northern Tier microwave installation and testing is on track with radio trunking to be available to roughly half the sites by the end of this construction season.

Administration - Enhanced 9-1-1 (E9-1-1) Program

The project will implement statewide E911 service, including Phase II wireless capability. Enhanced 911 provides the phone number and location information to the Public Safety Answering Point (PSAP). Phase II wireless provides the phone number, location and GPS coordinates to the PSAP. The project also includes an emergency notification service and a redundant network. Thirty seven (37) Public Safety Answering Points (PSAP's) have committed to using the statewide contract for services from Century-Tel. The original goal was 35 participating PSAPs. Thirty (30) are in production. Twenty PSAPs continue to use Qwest. The timetable for PSAPs to convert is primarily based on their ability to build highly accurate addressing records. Conversion will extend through March 8, 2008.

Justice - Broker System

This project will create an interface system (broker) for transmitting data and transactions between applications at Justice, Corrections, and the Courts. The Integrated Justice Information System (IJIS) Broker is an extendable open standards platform. Multiple individual modules will be implemented to serve the data exchange needs of several agencies and bureaus within agencies.

The project has had several scope changes as a result of detailed requirements gathering. This has affected the overall budget and timeline. The IJIS Broker is now in pilot with the first information exchange partner. A new project schedule is being drafted for the Crime Victims Notification phase and the overall IJIS Broker project.

Transportation – Traffic Safety Records

The Traffic Records Strategic Plan Implementation (TRSPI) project's objective is a measurable reduction of traffic accidents and related fatalities. This will be accomplished by linking individual agencies' disparate systems and databases which house crash-related data. The project funding will come primarily from National Highway Traffic Safety Administration (NHTSA) administered grants over the next four years. The estimated future funding available from NHTSA is approximately \$500,000 annually for four years. The first year of the project (2007) was focused on securing grant funding and identifying sources of necessary data. In future years, as funding becomes available, the program will generate separate smaller IT projects that will aggregate and share crash-related data from individual agencies. In January 2007, MDT signed a contract with MAXIMUS for project management services. The first NHTSA 408 Grant Application and related materials were submitted to NHTSA in June.

C. Policies (5-12-205, MCA)

The CIO is moving the process work from the CIO Policy Team to the Policy and Planning Services Bureau. Work is progressing on the following policies and procedures.

- Interim Enterprise IT Security Policy
The formal period for comments has closed and the development team is evaluating the feedback and making selected modifications to the draft policy.
- Procedure for Establishing and Conducting IT Pilots
ITSD's senior management team is evaluating the procedure.

- Decision Appeal Procedure
The DOA Director is reviewing the procedure with DOA staff.
- Internet Filtering Policy
The policy and procedures are being revised.
- Policy for Cellular Devices and Services
The policy is being revisited after its one year anniversary. It is under internal DOA review at this time.

The policy development teams are also working on IT planning, IT procurement and project management policies.

D. State Strategic IT Plan (2-17-522)

State Strategic Plan

During the fall of 2007 ITSD's Policy and Planning Services Bureau started the process of updating the Strategic Plan for Information Technology. The process involved reviewing reports, plans, and soliciting input from advisory groups. Material was gathered from the following sources:

- Information Technology Board
- 2007 Biennial Report
- Analysis of the progress on enterprise IT initiatives
- Agency IT plans updated in the summer of 2007
- Montana Geospatial Strategic Plan 2006-2010
- Information Technology Managers Council
- Statewide Interoperability Executive Council
- Economic Development Advisory Council
- Electronic Government Advisory Council

Agency projects and enterprise IT initiatives have made a significant contribution towards achieving the state IT strategic objectives. A summary of the progress is available in the IT Strategic Plan 2008 Update.

The strategic implications from current agency IT projects, the administration's economic development activities, geospatial technology, and eGovernment applications support the current goals and objectives and have not introduced new directions for the existing plan.

The 2006 Strategic Plan's strategic goals and objectives continue to be valid and relevant to the future direction of IT investment for the state of Montana. Therefore, the current Strategic Plan does not require revisions in direction or strategy and will continue as the Strategic Plan for the next biennium. The updated IT strategic plan will be delivered to the Governor by March 1, 2008.

Agency IT Plans

ITSD's Policy and Planning Services Bureau published the agency IT Planning Template and Instructions on January 16, 2008. Question and answer sessions on the Template were held February 4 and 6. Agency IT Planning Templates are due March 14, and ITSD must approve of the agency plans by June 30, 2008.

The agency IT plans will contain only short descriptions of IT initiatives and projects on March 14. Agencies will have another 6 weeks, until May 1, to complete the more detailed project-level information in the IT Initiative Supplement. The IT Initiative Supplement will be the collection vehicle to assemble

the information required for the state budgeting process for IT investments. The Executive Summary information from the IT Initiative Supplement will be entered into the MBARS IT Projects module, and the EPP Requests information will be entered into the MBARS EPP module.

The IT Initiative Supplement also fulfills part of the Montana Information Technology Act requirements for agency IT plans. MCA 2-17-523-(3) requires that all new investments in information technology can be included in the governor's budget only if the project is contained in the approved agency information technology plan. New investments are not limited to new budget requests, they also include IT investments funded from existing agency base budgets. DOA/ITSD can only recommend new IT investments if they are included in the agency IT plan. The IT Initiative Supplement is considered a component of the agency's IT plan.

E. Coordination with OBPP

For several months the OBPP and DOA/ITSD have been working toward the goal of coordinating the IT planning and budgeting cycles. The objective of the revised process is the one-time collection of information required for the evaluation of IT projects.

Accomplishing this objective has necessitated changes to the IT budgeting and planning processes. Changes include:

- Creation of a new MBARS IT Projects module to capture IT budgeting requests.
- Developing a single consolidated document for collecting IT expenditure and project information. The consolidated document is called the IT Initiative Supplement; supplement since the document is a component of section 7 of the agency's IT plan.
- Reducing the quantity and depth of information required in the Agency IT Planning Template. The Agency IT Planning Template will no longer require a repetition of the agency business plan or details on inter-agency data exchanges.

The IT Initiative Supplement will eliminate the need for additional surveys and data calls from the OBPP and DOA/ITSD, and will be the source of data to be entered into the MBARS IT Projects module.

For state budgeting (non-EPP) and agency IT planning purposes, all IT investments, projects, or initiatives that will have expenditures during FY2008 through FY2013 must be included. This covers the current biennium, and the next two biennia. An IT Initiative Supplement document should be completed for each IT initiative that meets at least one of the following criteria.

- An IT initiative with a budget of \$500,000 or more for the next biennium. The \$500,000 budget is the sum of all grants, current operating budget expenses, new budget allocations, special fees, and other sources of funds; and includes costs associated with internal builds.
- An IT initiative with a budget of \$100,000 or more and also comprises 25% or more of the agency's IT budget.

Total project costs includes all hardware, software, telecommunications, maintenance, training, consulting, agency staff time (IT and non-IT staff), ITSD services, and other associated expenditures necessary to complete the project.

The source of funding for the major IT initiatives is not a consideration when calculating the initiative costs. Funding for a major IT initiative can originate from agency base budget funds, special fees, grants,

and all other sources of funds. *Internal agency IT projects, even when funded through agency base budgets, should be documented in agency IT Templates and IT Initiative Supplements.*